



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 19, 2023

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 2
DEPARTMENT

SUBJECT: PLANNING CASE PR-2022-001429 (SITE PLAN REVIEW) – AN APPEAL, ON BEHALF OF THE SUPPORTERS ALLIANCE FOR ENVIRONMENTAL RESPONSIBILITY (“SAFER”), OF AN APPROVAL BY THE CITY PLANNING COMMISSION FOR A MIXED-USE DEVELOPMENT CONSISTING OF 257 DWELLING UNITS AND 4,918 SQUARE FEET OF COMMERCIAL SPACE – LOCATED AT 1575 UNIVERSITY AVENUE, SITUATED ON THE NORTH SIDE OF UNIVERSITY AVENUE, BETWEEN CHICAGO AVENUE AND CRANFORD AVENUE

ISSUE:

Consider the appeal, requested by Lozeau Drury, LLP on behalf of SAFER, of the City Planning Commission approval of a proposal by Matthew Keenen of CGI+ | Real Estate Investments for a Site Plan Review of project plans for a mixed-use development consisting of 257 dwelling units and 4,918 square feet of commercial space.

RECOMMENDATIONS:

That the City Council:

1. Uphold the decision of the Planning Commission and determine the project is consistent with the Final EIR for the 2021-2029 Housing Element Update/Housing Implementation Plan certified in October 2021 (SCH No. 2021040089) subject to compliance with the approved Mitigation Monitoring and Reporting Program; and
2. Deny the appeal and uphold the Planning Commission approval of Planning Cases PR-2022-001429 Site Plan Review, based on the findings summarized in the attached findings and subject to the conditions (Attachments 1 and 2).

PLANNING COMMISSION RECOMMENDATION:

On May 25, 2023, the City Planning Commission approved Planning Case PR-2022-001429 (Site Plan Review), by a vote of 7 ayes, 0 noes, 2 absent, and 0 abstentions (Attachment 3).

BACKGROUND:

The 4.29-acre project site is developed with a 27,593 square foot multi-tenant commercial building constructed in 1948. The building was originally occupied by a motorcycle dealership and in 2014, was renovated and converted into seven tenant suites, currently occupied by restaurant uses (Big Sky, Mokkoji Shabu Shabu and Ding Tea). The northern portion of the project site is vacant but disturbed with remnants of existing concrete pads where accessory structures once existed.

On October 5, 2021, the City Council adopted the 2021-2029 6th Cycle Housing Element Implementation Program that rezoned approximately 200 properties across the City to allow for multi-family and mixed-use development to comply with the State Housing Element Law. The subject parcel was part of the citywide rezoning effort, amending the General Plan Land Use designation to MU-U - Mixed-Use Urban and the Zoning designation to MU-U-SP - Mixed-Use Urban and Specific Plan (University Avenue) Overlay Zones.

Surrounding land uses include industrial uses to the north, multi-family and automotive uses to the east, industrial and commercial uses to the west, and a hotel and vacant parcels to the south (across University Avenue). The site is currently accessed from University Avenue.

Project Description

The applicant is requesting approval of a Site Plan Review to facilitate the construction of a mixed-use development. The project proposes to demolish the existing building and construct a 289,479-square-foot building. The following is a summary description of each component of the proposed project:

Multi-Family Residential

The residential portion of the project consists of a 4-story building with 257 multi-family residential units. A total of 27 studio units, 142 one-bedroom units, 74 two-bedroom units, and 14 three-bedroom units are proposed. Units range in size from 565 to 1,415 square feet. Private balconies or patios, ranging in size from 54 square feet to 192 square feet, are proposed for 251 of the project's 257 the units.

The project proposes 37,063 square feet of residential common open space consisting of three main courtyards. Two of the courtyards contain barbecue areas, dining and lounge areas, fire pits, and a pet park located on the north and south side of the project. A centrally located courtyard includes amenities such as a pool, spa, cooking areas, terraced deck with lounges, game areas and a yoga deck. A business center, fitness room, and a lounge are provided in the interior of the building.

The residential units are served by 371 parking spaces located in a 6-story secured parking garage, surrounded by the residential building on the north, south, and west sides. Primary vehicular access to the project site is provided from a proposed driveway on University Avenue. An emergency vehicle access to 7th Street is located at the northwest corner of the site.

Commercial/Restaurant

The proposed mixed-use development includes 4,918 square feet of commercial space to accommodate two tenant spaces for restaurant uses on the ground floor facing University Avenue. The tenant spaces will be designed to accommodate restaurant uses.

A total of 45 parking spaces (five uncovered and 40 located within the parking garage) will serve the two tenant spaces.

Benefit to the Community

The proposed project will facilitate the development of housing on the site. Available housing is of vital statewide and City importance. The City's Regional Housing Needs Assessment allocation is 18,458 units for the 2021-2029 planning cycle. The 257 units proposed by the project will be counted towards the RHNA.

The proposed mixed-use development is appropriate for the site and neighborhood, as it is located in close proximity to educational facilities (University of California, Riverside [UCR]), major job hubs (California Air Resources Board facility, UCR, and Downtown), local commercial, recreational opportunities, and community services, contributing to a synergistic relationship between uses in the area. The site is along University Avenue, a high-quality transit corridor identified as part of the "L" Corridor in the General Plan, made up of Magnolia Avenue, Market Street, and University Avenue, which offers multiple bus lines served by Riverside Transit Agency. The proposed project will contribute to activating the street and will serve as a catalyst for redevelopment of the area.

DISCUSSION:

Appeal

The Appellant filed a timely appeal of the Planning Commission's approval of the proposed project. The Appellant's basis for the appeal included a claim that the City did not conduct an adequate environmental review pursuant to CEQA Guidelines (Attachment 4).

An EIR was prepared and certified in October 2021 (SCH No. 2021040089) for the 2021-2029 Housing Element Update/Housing Implementation Plan, which included the subject site as an Opportunity Site. In compliance with the Mitigation Monitoring and Reporting Program associated with the EIR, the developer of this project prepared an Air Quality Summary, a Biological Assessment Report, a Cultural Resources Report, a Paleontological Report, Noise and Vibration Study, and a Traffic Study. The technical studies concluded that the proposed project did not exceed any threshold evaluated in the EIR that would result in environmental impacts.

Planning staff had previously reviewed the technical studies and data provided by the applicant and determined that no further EIR or MND would be required. However, in response to the appeal, and consistent with CEQA Guidelines Appendix M and N, the applicant prepared a CEQA Consistency Memorandum which includes the environmental checklist to evaluate the environmental impacts of the proposed project in accordance with CEQA Guidelines Section 15183.3 and Section 15168(c) and the analysis in the Certified EIR. The checklist ensures that the project-specific environmental effects are within the scope of the Certified EIR, and that the effects of the proposed project were examined as part of the Certified EIR. The checklist provided a formalized document and was consistent with staff's analysis. The checklist also incorporates the applicable and feasible mitigation measures from the Certified EIR (Attachment 5).

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 2 – Community Well Being**, and **Goal 2.1- Facilitate** the development of a quality and diverse housing supply that is available and affordable to a wide range of income levels.

This action aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** — The proposed mixed-use development requires public hearings by the Planning Commission. Additionally, public comment is encouraged throughout the process through the 15-day public noticing period and at public hearings.
2. **Equity** – The proposed mixed-use development provides housing opportunities that benefits all residences in the community and region.
3. **Innovation** – The proposed project revitalizes underutilized parcels identified as Opportunity Sites in the 6th Cycle Housing Element. Additionally, the proposed development meets the growing community’s needs for increased housing opportunities.
4. **Fiscal Responsibility** – All project costs are borne by the applicant.
5. **Sustainability & Resiliency** – All new construction will meet the most up-to-date Building Codes. The proposed mixed-use development is designed to meet the current and future needs of the community.

FISCAL IMPACT:

There is no fiscal impact related to this report as all project costs are borne by the applicant.

Prepared by: Jennifer A. Lilley, Community & Economic Development Director
Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. City Planning Commission Report and Exhibits – May 25, 2023
2. City Planning Commission Recommended Conditions – May 25, 2023
3. City Planning Commission Minutes – May 25, 2023
4. Appeal Letter
5. Applicant Prepared CEQA Consistency Memorandum
6. Presentation